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## Thailand

### Grain and Feed

### Weekly Rice Price Update

**2008**

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**Report Highlights:**

Domestic and export prices dropped significantly by 8-9 percent in anticipation of government intervention stock release and weakening Thai baht. The details of the stock release will be finalized by the end of this week. Meanwhile, foreign buyers reportedly are limiting their purchases to small volume contracts as the prices trend downward.

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Includes PSD Changes: No  
Includes Trade Matrix: No  
Trade Report  
Bangkok [TH1]  
[TH]

**Indicative Prices (Week Ending Oct. 27):**

Thailand: Export (FOB) Prices for various grades of rice (USD/M.T.)									
	Exporter Observations							Period Avg.	
	#1	#2	#3	#4	#5	#6	#7	CUR.	PRV.
F WR 100 B	760	-	-	-	760	740	-	753	798
WR 100 B	585	-	580	590	590	580	570	583	633
PB 5%	-	-	570	-	570	570	530	560	619
WR 5%	555	-	560	570	570	540	550	558	607
WR 10%	-	-	-	-	-	533	-	533	583
WR 15%	-	-	-	-	-	510	-	510	560
WR 25%	-	-	-	-	-	450	-	450	490
WR 35%	-	-	-	-	-	-	-	-	-
A 1 SUP	300	-	-	-	310	315	330	314	341
A 1 SPEC	-	-	-	-	-	-	-	-	-
Source: Average actual prices received from exporters, Exchange rate: 34.7 baht/U.S.\$									

**Market Tone**

Export prices dropped significantly below \$600/MT for premium white rice in anticipation of government intervention stock release and the weakening Thai baht. The Government is forced to liquidate record intervention stocks for the MY2008/09 main-crop intervention program budget and to ensure enough warehouse space to start the program on November 1. The stock will likely be released next month through a tender, starting with a portion of old-crop intervention stocks of 2.1 million tons for exports. The details of the stock release will be finalized by the end of this week. The average bidding prices are expected to be lower than \$500/MT, far below the government benchmark of \$640-650/MT, FOB, as Vietnamese rice is currently offered at even lower than \$400/MT, FOB, for 5 percent grade white rice. In addition, the Thai baht has weakened to 34.7 baht/\$, as compared to 34.0 baht in the previous week. Meanwhile, foreign buyers reportedly are limiting their purchases to small volume contracts as the prices trend downward. Also, the government may seek to barter rice for petroleum oil with the Iranian Government next month. It will likely take several months to conclude such deals due to complicated terms and conditions. Similar barter arrangements have been proposed in the past with little success.

The following are the reported rice exports (as is basis):

WEEK ENDING	QUANTITY	4-WK AVG	YEAR TO DATE	YEAR AGO	YEAR TO DATE AS % OF LAST YEAR
	(MT)	(MT)	(TMT)	(TMT)	%
Aug 31	154,550	139,373	5,863	3,442	70.4
Sep 7	131,622	141,772	5,995	3,573	67.7
Sep 14	129,898	142,930	6,124	3,717	65.0
Sep 21	125,818	135,472	6,250	3,866	61.7
Sep 28	133,622	130,240	6,384	4,060	57.3
Oct 5	88,544	119,470	6,472	4,238	52.7
Oct 12	96,178	111,040	6,569	4,411	48.9
Oct 19	132,978	112,830	6,702	4,604	45.6
Oct 26	71,415	97,279	6,773	4,807	41.0

*Note on data: Export figures since March 22, 2002, do not include fragrant rice. The authority to report fragrant rice exports was moved from the Thai Board of Trade to the Ministry of Commerce's Office of Commodity Standards, which does not release official fragrant rice export data. FAS/BKK will report only official export numbers from the Board of Trade for non-fragrant and from the Office of Commodity Standards for fragrant rice when available, but the reader should bear in mind the difference between the data.*

Unofficial exports (excluding fragrant rice) for Oct. 20-26, 2008 totaled 71,415 down 61,562 the previous week, and down 25,863 from the four-week moving average of 97,279 tons. Exports during Jan. 1 – Oct. 26, 2008 totaled 6,772,968 tons, as compared with 4,807,401 tons in the previous year.

According to the Department of Foreign Trade, Ministry of Commerce, total rice exports (including fragrant rice) during Jan. 1 – Oct. 24, 2008, amounted to 8,911,899 tons, up 21.33 percent from 7,010,461 tons in the previous year.

## Weekly Rice Sales

Private registered rice export sales for the period of Oct. 6-10, Oct. 13-17 and Oct. 20-24 are as follows:

Movement (MT)	Oct. 6-10	Oct. 13-17	Oct. 20-24
Weekly sales	106,202	53,195	33,350
4 week sum	455,673	364,487	285,406
4 week mov. avg.	113,918	91,122	71,352
Total weekly sales	5,999,062	6,052,257	6,085,607

End of Report.